

**BEFORE THE OIL AND GAS CONSERVATION COMMISSION
OF THE STATE OF COLORADO**

IN THE MATTER OF THE APPLICATION OF
GREAT WESTERN OPERATING COMPANY,
LLC FOR AN ORDER TO ESTABLISH AN
APPROXIMATE 1923.32-ACRE DRILLING
AND SPACING UNIT AND ALLOW UP TO
TWENTY-SIX (26) HORIZONTAL WELLS WITH
WELL LOCATION RULES FOR THE CODELL
AND NIOBRARA FORMATIONS IN SECTION
12, TOWNSHIP 1 SOUTH, RANGE 67 WEST
AND SECTIONS 7 AND 8, TOWNSHIP 1
SOUTH, RANGE 66 WEST, 6TH P.M.,
WATTENBERG FIELD, ADAMS COUNTY,
COLORADO

CAUSE NO.

DOCKET NO.

TYPE: SPACING

APPLICATION

Great Western Operating Company, LLC (Operator No. 10110) ("Applicant"), by and through its attorneys, Jost Energy Law, P.C., respectfully submits this Application to the Oil and Gas Conservation Commission of the State of Colorado (the "Commission") for an order to establish an approximate 1,923.32-acre drilling and spacing unit and authorize up twenty-six (26) horizontal wells in order to efficiently and economically recover the oil, gas and associated hydrocarbons within said 1,923.32-acre drilling and spacing unit from the Codell and Niobrara Formations underlying the below-described lands. In support of its Application, Applicant states and alleges as follows:

1. Applicant is a limited liability company duly organized and authorized to conduct business in the State of Colorado, and is a registered operator in good standing with the Commission.

2. Applicant is an Owner as defined by the Colorado Oil and Gas Conservation Act and Commission Rules and owns leasehold interests or holds the right to operate on the following lands (hereafter "Application Lands"):

Township 1 South, Range 67 West, 6th P.M.
Section 12: All

Township 1 South, Range 66 West, 6th P.M.
Section 7: All
Section 8: All

Adams County, Colorado, 1,923.32-acres, more or less.

A reference map of the Application Lands is attached hereto.

3. On February 19, 1992, the Commission entered Order No. 407-87 (amended August 20, 1993) which, among other things, established 80-acre drilling and spacing units for the production of oil, gas and associated hydrocarbons from the Codell and Niobrara Formations, with permitted well locations in accordance with the provisions of Order No. 407-1. The Application Lands are subject to this Order for the Codell and Niobrara Formations.

4. On April 27, 1998, the Commission adopted Rule 318A, the Greater Wattenberg Area Special Well Location, Spacing and Unit Designation Rule. The Application Lands are subject to this Rule for the Niobrara and Codell Formations.

5. The records of the Commission reflect that no wells are currently producing from the Codell or Niobrara Formations on the Application Lands.

6. To promote efficient drainage within the Codell and Niobrara Formations of the Application Lands, to protect correlative rights and to avoid waste, the Commission should establish an approximate 1,923.32-acre drilling and spacing unit for the Niobrara and Codell Formations and approve up to twenty-six (26) horizontal wells within the new unit for the production, development and operation of oil, gas and associated hydrocarbons from the Codell and Niobrara Formations.

7. The above-proposed drilling and spacing unit will allow efficient drainage of the Codell and Niobrara Formations, will prevent waste, will not adversely affect correlative rights and will assure the greatest ultimate recovery of gas and associated hydrocarbon substances from the reservoirs. The unit of the size and shape specified above is not smaller than the maximum area that can be economically and efficiently drained by the proposed wells in the unit.

8. The Applicant is requesting to drill and complete up to twenty-seven (26) horizontal wells within the unit in order to efficiently and economically recover the oil, gas and associated hydrocarbons from the Codell and Niobrara Formations within the approximate 1,923.32-acre drilling and spacing unit composed of the Application Lands and that there will be no adverse effect on correlative rights of adjacent owners.

9. The Applicant maintains that there will be no more than three (3) well pads located within or adjacent to the proposed unit, unless an exception is granted by the Director. Applicant has executed a surface use agreement with the surface owner for one or more surface location(s) in Section 11, Township1 South, Range 67 West, 6th P.M.

10. The treated interval of each proposed horizontal well shall be no closer than 460 feet from the boundaries of the unit (regardless of the lease lines within the unit) and all horizontal wells shall be no closer than 150 feet from the treated interval of another well producing from the same source of supply within the unit, unless an exception is granted by the Director.

11. The undersigned certifies that copies of this Application will be served on each interested party within seven (7) days of the filing hereof, as required by Rule 503.e.

WHEREFORE, Applicant respectfully requests that this matter be set for hearing in September 2017, that notice be given as required by law, and that upon such hearing this Commission enter its order:

A. Establishing an approximate 1,923.32-acre drilling and spacing unit for portions of Section 12, Township 1 South, Range 67 West and Sections 7 and 8, Township 1 South, Range 66 West, 6th P.M., and allowing up to twenty-six (26) horizontal wells in the unit in order to efficiently and economically develop and recover the oil, gas and associated hydrocarbons from the Codell and Niobrara Formations in the unit.

B. Providing that the treated interval of any horizontal well shall be no closer than 460 feet from the boundaries of the unit and not less than 150 feet from the treated interval of another well within the unit, and authorizing up three (3) well pads located within or adjacent to the proposed unit, unless an exception is granted by the Director.

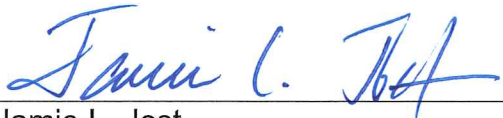
C. Finding that an approximate 1,923.32-acre drilling and spacing unit for the development of the Codell and Niobrara Formations on the Application Lands will prevent waste, protect correlative rights, and maximize the efficient and economic production of the Codell and Niobrara Formations on the Application Lands.

D. For such other findings and orders as the Commission may deem proper or advisable in this matter.

DATED June 23, 2017.

Respectfully submitted:

Great Western Operating Company, LLC

By: _____

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Reference Map

Great Western Operating Company, LLC
Section 12, Township 1 South, Range 67 West
Sections 7 and 8, Township 1 South, Range 66 West

